



23 February 2021

MS. JANET A. ENCARNACION

Head, Disclosure Department

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue cor. 28th Street

Bonifacio Global City

Taguig City

Dear Ms. Encarnacion,

This is to advise the Exchange that the following information will be made available to the major newspapers.

Thank you.

Very truly yours,

MA. CHRISTINA P. ALVAREZ

First Senior Vice President and Corporate Information Officer

Rizal Commercial Banking Corporation

cc: Atty. Marie Rose M. Magallen-Lirio, Philippine Dealing Exchange Corporation

RCBC Posts FY2020 Net Income of P5 Billion

Rizal Commercial Banking Corporation posted an unaudited consolidated net income of P5.0 billion for full year 2020 even as the impairment losses were boosted to P9.3 billion. The Bank booked over 2.5x higher impairment losses than last year, normalized for extra-ordinary items, to manage the higher risks due to the pandemic and economic slowdown.

RCBC's core business remained strong with Gross Income reaching P37.9 billion, higher by 6% compared to the same period last year. Net interest income for full year 2020 rose by 18% year on year to P26.3 billion, given lower funding costs and higher margins.

The Bank's diversified loan portfolio continued to expand by 5% to P456.6 billion, led by the small and medium enterprises (SME) and consumer loan segments which registered year-on-year growth of 8% and 5%, respectively. Despite the slowdown in the industry, RCBC's credit card business still grew by 3% in terms of credit card receivables. The Bank's Net NPL Ratio as of end-2020 was at 2.9%.

In response to the pandemic, RCBC mobilized its resources to ensure workplace safety and business continuity as employees were equipped to work from home. Meanwhile, several business process reengineering and rationalization efforts led to higher efficiency and productivity, with loans and deposits per branch ratio improving by 24% and 33%, respectively. As a result, the Bank's operating expenses of P22.1 billion was marginally higher year on year by only 1.4%. Cost-to-income ratio stood at 58.3% as of December 2020, better than the 60.8% recorded last year.

"The pandemic has drastically changed customer behavior, but we are thrilled with how we can continuously provide the best banking experience to our customers and fellow Filipinos through innovative digital solutions. We are also happy that our efforts toward digital acceleration and financial inclusion have been recognized by the industry," RCBC President and CEO Eugene Acevedo said.

RCBC continues to strengthen its P770.8 billion balance sheet with 64% in Loans and Receivables and 11% in Investment Securities. This was supported by a P101.5 billion capital base as of

December 2020, with solid capital ratios—CAR of 16.1% and CET1 ratio of 12.6%. Its capital base was further strengthened by the issuance of USD300 million in Additional Tier 1 (AT1) Capital Notes last August 2020. Total deposits also rose to P535.8 billion driven by the 21% growth in CASA deposits. Return on Equity (ROE) stood at 5.6% and Return on Assets (ROA) at 0.7%.

With the Bank's aggressive digital transformation, RCBC introduced industry-leading digital solutions to provide safe, secure and convenient banking experience. Enrollment to the RCBC Online Retail mobile app surged by 288% from last year, with the number of active users increasing by 55%. RCBC's Diskartech, the country's first financial inclusion super app, has been downloaded more than 3.5 million times since its launch in July 2020. ATM Go, RCBC's mobile point-of-sale technology, disbursed over P6.5 billion through 1,800 terminals located in 72 out of 81 provinces in the country.

With respectable local and international award-giving bodies recognizing the Bank's digital transformation, RCBC garnered numerous awards including *"Best Digital Bank in the Philippines"* from Alpha Southeast Asia; *"Best Digital Bank in the Philippines"* from Asiamoney; *"2020 Most Inspirational Brand – Financial Services Industry"* from the Asia Pacific Enterprise Awards; *"2020 Enterprise Innovation"* from the Asia IoT Business Platform; *"Best Digital Inclusion Initiative"* from the International Innovations Awards; and *"2020 Most Innovative Banking Services Provider"* from the Global Economics.

RCBC has a total consolidated network of 447 branches and 1,426 automated teller machines strategically located nationwide, resulting in a 3.2 branch-to-ATM ratio.

About RCBC

RCBC is a leading financial services provider in the Philippines offering a wide range of banking and financial products and services. RCBC is engaged in all aspects of traditional banking, investment banking, microfinance, retail financing (auto, mortgage and housing loans, and credit cards), remittance, leasing, foreign exchange, and stock brokering. RCBC is a member of the Yuchengco Group of Companies (YGC), one of the oldest and largest conglomerates in South East Asia. For more information, please visit <https://www.rcbc.com>